ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

WELCOME TO THE ANNUAL REPORT

OF LONDONDERRY PORT & HARBOUR COMMISSIONERS

FOYLE PORT

Londonderry Port & Harbour Commissioners was first established by Act of Parliament in 1854. As an Independent Statutory Authority the Port has a duty to develop, maintain and operate to the highest standards of efficiency, financial prudence, environmental awareness, safety and security.

The Port is independent of Government and is self-financing. All financial surpluses are reinvested in the business for the benefit of future generations of stakeholders. Londonderry Port & Harbour Commissioners operate under the Foyle brand.

MEMBERS OF THE BOARD

R McCready	**Chairman** **Appointed 1st January 2024**
B McGrath	**Chief Executive**
Captain B McCann	**Harbour Master**
A Bissett	
F Hewitt	
C McHugh	
N Robbins	
C Jackson	

AUDITORS

Deloitte N.I. Limited
Lincoln Building,
27 - 45 Great Victoria Street
Belfast, BT2 7SL

BANKERS

Ulster Bank
Da Vinci Complex, Culmore Road
Londonderry, BT48 8JB

SOLICITORS

Tughans LLP
The Ewart, 3 Bedford Street
Belfast, BT2 7EP

Carson McDowell LLP
Murray House, 4 Murray Street
Belfast, BT1 6DN

CONTENTS

CHAIR'S STATEMENT

INTRODUCTION

On behalf of Commissioners, it is my great pleasure to present the Annual Report & Financial Statements for the year ending 31st March 2024. This report illustrates a strong recovery year despite the tumultuous economic, fiscal, and geopolitical conditions, which is testament to our exceptionally talented and high performing team. It coincides with our 170th Anniversary Year as a Trust Port; an impressive feat, saturated in historical significance both locally and internationally. This is matched only by our future potential to transform the regional economy and transition to long-term sustainability within a lower carbon economy, as we embark on our new 5-year Strategic Plan.

STATUTORY DUTY

In my first year as Chairman, it is my enduring intention to lead a Trust Port that is uncompromising in its Duty, confident in its service delivery, and innovative towards a sustainable future. We are uniquely recognised by both the UK and Irish Governments as the Competent Harbour Authority for all of Lough Foyle and its designated pilotage district. As the independent Statutory Authority, our Duty is to improve, maintain, regulate, and manage the Port to facilitate the development of the harbour undertaking and reinvest all profits in growing and sustaining the organisation, for the benefit of future generations of stakeholders. We will continue to be strategic, steadfast, and resolute in meeting our duty.

STAKEHOLDER AND COMMUNITY SUPPORT

We commit 1% of profits to our Corporate Social Responsibility Fund. This directly benefits local Community groups and charities including; Strathfoyle Community Groups, Culmore Community Partnership, Foyle Foodbank and Macmillan Cancer Support. During the year, the Commissioners launched a Stakeholder Engagement Action Plan to direct the continued focus on both local

"We are poised, primed and perfectly positioned for an Enhanced Investment Zone to be centred around Foyle Port."

and wider community engagement efforts, including a mental health and wellbeing corporate partnership with Aware NI. In addition to supporting the work of Aware NI, our employees also benefit from additional specialist support. Our employees held a sponsored walk event in April 2024, from the Guildhall to the Port to raise funds for Foyle Hospice and NI Children's Hospice. We continue to strengthen our connections within the local communities and indeed with wider stakeholders throughout the NW City Region.

TRADING & FINANCIAL PERFORMANCE

The Port achieved £12.1 million in turnover, an increase of 8% from the prior year, resultant from an 11% increase of year-on-year trade to record levels of 1.97 million tonnes and 18 cruise visits. Operating profit of £2million was achieved which is essential for continued investment, growth, and long-term sustainability. The Commissioners reinvested £1.1million during the year in expanding the harbour estate to ~200 acres and improving Port assets, totalling £42 million in fixed assets.

ENHANCED INVESTMENT ZONE

Regrettably, the UK's Freeport Policy did not extend to NI. However we are poised, primed, and perfectly positioned for an Enhanced Investment Zone to be centred around Foyle Port. Our case is compelling; multi deep-water terminal locations to enable offshore wind development, existing landbank with capacity to expand at scale, renewable energies and digital hubs, proximity to adjacent power stations and the fastest connectivity via Project Kelvin. A powerful combination, which would expedite further Port diversification, meet green obligations, and attract major investment. As an integral stakeholder to Derry-Londonderry Chamber's Northwest Economic Vision, we will require strategic regional focus and prioritisation from the NI Executive on rebalancing the NI economy.

STRATEGY AND FUTURE OUTLOOK

Foyle Port is generating significant momentum and is on the cusp of monumental transformational change and growth. The Commissioners have launched a new five-year plan (Foyle Port 2.1: Sustainable Regional Development on Land and Sea) which sets the Strategic Direction to 2029 and is predicated on our long-term masterplan (Foyle Port 2.0: Expanding to Trade and Technology). Decarbonisation and diversification remain key focal points as the Port transitions to achieve long-term sustainability within a lower carbon economy, delivered through three strategic themes:

DfI and DfE Ministerial Visit, July 2024

Water, Land and People. As the Atlantic Gateway for the NW City region and the Island of Ireland, we are uniquely situated to service both the continental European and international markets. This competitive advantage will be key to contributing towards a green economy, digital and alternative energy hubs, cruise development and to ensure we continue to meet our statutory duty sustainably.

THANKS

I would first like to record my thanks to our Employees as they have been instrumental in delivering a first-class service, whether that be on the water, along the quayside, across the estate or in the Harbour Office; I am immensely proud of every single one of them. They are fortunate to be led by a dedicated Executive Leadership Team.

Secondly, I would like to extend my recognition and thanks to our local community, wider stakeholders, and customers, to whom we proudly serve. I would also like to thank the Minister for Infrastructure, John O'Dowd, and his Officials and I look forward to working collaboratively in the year ahead.

Thirdly, I would like to thank my predecessor Bonnie Anley for her years of chairmanship, facilitation, and stewardship I wish her well as she ventures to pastures new.

My heartfelt commendation and thanks go to each of the Commissioners for their commitment and provision of strategic leadership, corporate governance, and support to the organisation; they have carried out their duties and responsibilities diligently with pride and purpose. Thank you.

Ryan McCready
Chairman
'In Portu Quies'

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

Londonderry Port & Harbour Commissioners (LPHC) is a Trust Port constituted by the Londonderry Port & Harbour Act and Orders 1854-2002. Trust Ports are autonomous, statutory bodies with perpetual succession and established to improve, maintain and manage ports and harbours in accordance with specific legislation. Trust Ports must act commercially with all surpluses re-invested in the organisation for the benefit of all stakeholders, existing, potential and future. In 2005, LPHC was designated as a Public Corporation.

THE BOARD

The Constitution, Powers and Duties of LPHC are set out in the Londonderry Harbour Order (Northern Ireland) 2002. The Order states that the primary duty of LPHC is to take such steps as it considers *"necessary or expedient for the improvement, maintenance and management of the port and the accommodation and facilities afforded therein or in connection therewith"*.

The Department for Infrastructure appoints the Commissioners of LPHC. The Board is constituted by a minimum of eight and a maximum of twelve Commissioners including the Chairman, Chief Executive and Harbour Master. A maximum of three Commissioners on the Board are Council Members of Derry City & Strabane District Council.

PORT MARINE SAFETY CODE

Londonderry Port & Harbour Commissioners as the Competent Harbour Authority and Duty Holder under the Port Marine Safety Code (PMSC) recognise a responsibility to publicly report on PMSC performance. The main requirements of the Code are to carry out risk assessments for marine operations, implement a safety management system, employ properly qualified marine personnel and ensure that sufficient powers and resources are provided to manage marine operations safely.

Internal compliance audits are carried out on an annual basis on the Port's Safety Management System to ensure that the standards as detailed in the PMSC and associated guide to good practice are met. External independent audits are carried out every three years and the results of the audits are reported by the designated person to the Safety Committee and the Board of Commissioners.

Londonderry Port & Harbour Commissioners are committed to discharging all of its statutory duties and to remaining open, accountable and fit for purpose. The Port manages the safety of marine operations and complies with all of the requirements of the Code. The Port takes reasonable care so that all who may choose to navigate in the harbour may do so without danger to their lives or property. The Port conserves and promotes the safe use of the harbour and has regard to the efficiency, economy and safety of marine operations. Further details on the PMSC can be found on the Port's website **https://www.foyleport.com/publications**.

Bank of England Governor, Andrew Bailey, visiting Foyle Port in May 2024

CORPORATE GOVERNANCE

The Board of the Londonderry Port & Harbour Commissioners is committed to achieving the highest standards of corporate governance and accountability. The LPHC Corporate Governance Framework sets out a Schedule of Matters reserved for the collective decision of the Board and each Board Member commits to adhere to the LPHC Commissioners' Code of Conduct.

Although LPHC is not a company, the duties and responsibilities of a Commissioner are analogous to those of a company director. The Board has regard to the UK Corporate Governance Code and the guidance provided within the draft Code of Practice for Northern Ireland Trust Ports.

INTERNAL CONTROL

It is the responsibility of the Commissioners to ensure that LPHC operates and maintains an effective system of risk management, control and governance sufficient to safeguard the assets of LPHC and to prevent and to detect fraud or error.

There are a range of sources of assurance available to LPHC. These sources include LPHC's risk management system, including LPHC's Risk Register, independent Internal Audit function and the Audit Committee which oversees the work of Internal and External Audit. In addition, LPHC's External Auditors identify within their 'Report to the Board and Audit Committee' those control weaknesses identified during the course of the annual audit of the financial statements.

During 2023/24, no significant control weaknesses which pose a significant risk of financial loss, operational disruption or fraud were identified.

BOARD TRAINING AND DEVELOPMENT

The Board participates in various training sessions each year to keep abreast of key corporate governance developments. The Chairman of the Board also conducts a formal performance review meeting with each Commissioner annually. During 2023/24, the Board participated in several Strategy & Risk Appetite workshops, an Organisation Values session, received legal briefings on relevant employment law changes and completed cyber awareness and anti-bribery/fraud training.

COMMISSIONERS' ATTENDANCE

The Board met in plenary session seven times during 2023/24. The Commissioners also attended a number of Committee Meetings during the year. The Board and Committee attendance for the Financial Year 2023/24 is outlined in the table below:

ECOPORT MEMBER SINCE 2016

9 ELECTRIC VEHICLES

90% OF ELECTRICITY SOURCED FROM LOW CARBON FUELS

100% OF EMPLOYEES COMPLETED EQUALITY, DIVERSITY AND INCLUSION TRAINING

DONATED TO 21 CHARITIES AND COMMUNITY PARTNERS

8 MENTAL HEALTH CHAMPIONS AND 39% OF EMPLOYEES RECEIVED MENTAL HEALTH AWARENESS TRAINING

Name	Board Meetings		Committee Meetings	
	Possible	Actual	Possible	Actual
R McCready	7	7	7	7
B Anley (resigned 1st January 2024)	5	5	3	3
B McGrath	7	7	16	16
A Bissett	7	7	7	7
R Ferguson (resigned 22nd May 2023)	1	1	-	-
F Hewitt	7	6	12	11
C Jackson	7	7	8	7
B McCann	7	7	7	7
C McHugh	7	6	13	11
N Robbins	7	6	13	13

BOARD COMMITTEES

The Board has established four Committees. Each Committee has a specific purpose to oversee and report to the Board on key governance aspects including Audit, Risk, Health, Safety & Environment, and Pension & Remuneration. The Role and Membership of each Committee during the year is outlined below:

AUDIT COMMITTEE

C McHugh (Chair)
R McCready (April 2023 – December 2023)
C Jackson (Appointed January 2024)
N Robbins

The Audit Committee has the primary duty of the oversight of Financial Reporting, Audit and Internal Control. In addition, the Committee has the following roles and responsibilities:

1. To review the adequacy and effectiveness of the Port's internal financial controls and financial risk management systems.

2. To monitor the integrity of the annual financial statements of LPHC.

3. To oversee the relationship with the External Auditors of the Organisation, including their terms of engagement and an annual assessment of their independence and objectivity.

4. To ensure that the internal audit function established by management is adequate and provides appropriate independent assurance to the Board through the Audit Committee and Chief Executive.

RISK COMMITTEE

N Robbins (Chair)
A Bissett
F Hewitt
C Jackson
C McHugh

The Board has overall responsibility for corporate risk. The primary duty of the Risk Committee is to oversee risk and to provide assurance to the Board that the risk management system is functional and that the identified risks are relevant and accurately assessed. In addition, the Committee has the following roles and responsibilities:

1. To advise the Board on LPHC's overall risk appetite, tolerance, and strategy.

2. To keep under review the adequacy and effectiveness of LPHC's risk management systems, covering all material controls including financial, strategic, operational and compliance.

HEALTH, SAFETY & ENVIRONMENTAL COMMITTEE

C Jackson (Chair)
A Bissett
F Hewitt
R McCready (April 2023 – December 2023)

The primary duty of the Health, Safety & Environmental Committee is to provide oversight of the implementation and effectiveness of the Company's Health, Safety & Environmental Risk Management procedures, policies and programmes and to give assurances to the Board on the performance and compliance of the management systems in place.

PENSION & REMUNERATION COMMITTEE

R McCready (Chair) (Appointed January 2024)
B Anley (Chair) (April 2023 – December 2023)
F Hewitt
C McHugh
N Robbins

The primary duty of the Pension & Remuneration Committee is to make recommendations to the Board concerning its overall policy of employee remuneration and to set the framework for executive remuneration. The Committee also has a duty to advise the Board on specific remuneration packages and conditions of employment and to oversee any major changes in employee benefits structures throughout LPHC.

THE BOARD & DUTY HOLDERS

RYAN MCCREADY - CHAIRMAN

Ryan McCready was appointed Chairman on 1st January 2024. He previously was a Harbour Commissioner since April 2020. Ryan has over 20 years' leadership and operational experience from his previous career within the Ministry of Defence. His more recent positions include Non-executive Directorship within the Aviation and Security sectors, and he was an elected representative on his Local Authority.

ALAN BISSETT - COMMISSIONER

Alan Bissett was appointed Harbour Commissioner in October 2019. Alan is a senior utilities lawyer and has advised on a wide range of corporate and commercial matters at leading firms in Belfast and London. He is a member of the Law Societies of Northern Ireland and of England & Wales. Alan is Chair of the Port's Stakeholder Engagement Working Group and is a Member of the Port's Risk Committee and the Health, Safety & Environmental Committee.

FRANK HEWITT - COMMISSIONER

Frank Hewitt was appointed Harbour Commissioner in October 2019. Frank's career spans both the Public and Private sectors. Mr Hewitt has extensive Non-Executive Board Member experience, including former appointments as Chair of Translink and of the Northern Ireland Science Park, and as Board Member of Invest NI, Strategic Investment Board, and Ilex Urban Regeneration Company. He was the German Government's Honorary Consul in Northern Ireland. Frank is a Member of the Port's Health, Safety & Environmental Committee, Risk Committee and Pension & Remuneration Committee.

CHRISTOPHER JACKSON - COMMISSIONER

Christopher Jackson was appointed Harbour Commissioner in March 2020. He is a Sinn Féin Party Councillor on Derry City & Strabane District Council (DCSDC), elected to represent the Waterside DEA in 2014. He is Chairperson of The Whistle Project, a Board Member of Hillcrest Trust, a Board Member of Jack and Jill Playgroup and Member of Waterside Neighbourhood Partnership. Christopher is Chair of the Port's Health, Safety & Environmental Committee and is a Member of the Risk Committee and Audit Committee.

CATRIONA MCHUGH - COMMISSIONER

Catriona McHugh was appointed Harbour Commissioner in October 2019. Catriona is a Chartered Certified Accountant. She worked as a financial consultant overseas for almost 15 years, returning to Northern Ireland in 2016. She has provided financial consulting services for a range of public sector bodies in Ireland and the UK. Catriona Chairs the Port's Audit Committee and is a Member of the Port's Risk Committee and Pension & Remuneration Committee.

NIGEL ROBBINS - COMMISSIONER

Nigel Robbins was appointed Harbour Commissioner in October 2019. Nigel has over 30 years' experience within the digital, technology, and telecommunications field. He has experience within the Private and Public sectors. He was a senior executive with Viacom Inc. for 15 years and has developed worldwide businesses. Nigel is currently Broadband Investment Project Director with the Department for the Economy (DfE). In this capacity he also serves as a Board Member for DfE's Broadband Intervention Projects - Project Stratum and Project Gigabit. Nigel Chairs the Port's Risk Committee and is a Member of the Port's Audit Committee and Pension & Remuneration Committee.

THE EXECUTIVE TEAM

BRIAN MCGRATH - CHIEF EXECUTIVE AND COMMISSIONER

Brian was appointed as the Chief Executive and Harbour Commissioner in March 2003. Brian has many years' experience in ship design and maritime economics. He is a Chartered Director, a Fellow of the Institute of Directors and a Fellow of the Royal Institution of Chartered Surveyors. Brian is a Past President of the Londonderry Chamber of Commerce and a former Council Member of the Northern Ireland Prince's Trust, British Ports' Association and the Confederation of British Industries Northern Ireland.

CAPTAIN BILL MCCANN - OPERATIONS DIRECTOR & HARBOUR MASTER AND COMMISSIONER

Bill was appointed as Harbour Master in July 1996, promoted to Operations Director in January 2016, and was appointed Harbour Commissioner in March 2023. He is a Class 1 Master Mariner and spent 16 years in the Merchant Navy with BP Shipping, Souter Shipping and P&O Irish Sea Ferries. He is a Member of the Nautical Institute and a Member of the Institute of Directors. Bill is also the Chairman & Port Security Officer for the Londonderry Port Security Authority.

GEORGE CUTHBERT - CHIEF OPERATING OFFICER

George was appointed as Port Engineer in April 2004, promoted to Engineering & Development Director in January 2016 and to Chief Operating Officer in January 2023. Previously a Senior Engineer at Harland and Wolff, George has over 25 years' project management experience in the engineering, marine and infrastructure sectors. He is a Chartered Engineer and a Chartered Director, a Member of the Institute of Mechanical Engineers and a Fellow of the Institute of Directors.

ARLENE THOMPSON - CHIEF FINANCIAL OFFICER

Arlene was appointed as Financial Controller in May 2013 having worked in the role of Assistant Financial Controller since 2005. Arlene was promoted to Finance & Corporate Services Director in January 2016 and to Chief Financial Officer in January 2023. She is a Fellow of Chartered Accountants Ireland and holds an Executive Master of Business Administration. Having trained and qualified with Moore Stephens Chartered Accountants, Arlene has over 20 years' experience in the finance sector including Public and Private Sector audit.

IAN LUNEY - CHIEF DEVELOPMENT OFFICER

Ian was appointed as Chief Development Officer in February 2023 with the responsibility for securing new sustainable revenue streams for the organisation by attracting investment into the Port Estate. Ian has extensive experience at a senior level in Irish and global power markets and joined Foyle Port from EP UK Investments Ltd, the owner of Ballylumford and Kilroot Power Stations, where he was Director of Corporate Affairs.

CHIEF EXECUTIVE'S REPORT

My report this year comes as we celebrate 170 Years since the foundation of the Londonderry Port and Harbour Commissioners in 1854 and as we embark on our latest five-year strategic plan. Our plan is designed to deliver long-term sustainable development for Foyle Port, on land and sea, through the ongoing investment in our people, and our assets. As we record another strong set of financial results, we are proud that as a Trust port, all our profits are reinvested for the benefit of future generations.

RESULT

I am pleased to report that our accounts depict a turnover of £12.1 million with a £2 million operating profit and reflecting a strong EBITDA of £3.9 million. The overall financial health of the organisation is further underpinned by a strong balance sheet and cash reserves. This year's figures represent a record performance and marks a significant improvement from the prior year which was blighted by high inflation and unstable trading conditions.

STRATEGY

Our new 5-year plan is focused on three themes of water, land and people. This approach marks a significant departure by elevating the interests of our people and our external stakeholders within a distinct set of strategic objectives.

Having successfully diversified our commercial capabilities through enhanced marine and engineering services, our recent investment in grid connectivity at Lisahally has strategically positioned Foyle Port into distinct trading and utility platforms ready to take advantage of opportunities in shipping, digital, and renewable energy.

The Port is strategically located beside key transport, electrical, gas and data connectivity infrastructure and is well placed to contribute to the Economy Minister's four economic priorities – improving regional balance, growing a green economy, improving productivity and delivering good jobs. We have established strategic relationships with investors who are seeking to locate within the Port Development Zone in relation to data, digital and green technologies. These investments will establish a green energy cluster of scale at the Port, delivering sustainable and much needed growth in the Northwest region and assisting NI with its transition towards a net zero economy.

PEOPLE

There is an increasing pressure on all employers in respect of talent acquisition and retention. We acknowledge that our people represent our most precious asset.

This year we have made positive progress towards succession planning and productivity improvement through the creation of high performing teams. We have enhanced our employee value proposition and recognise that our people can face challenges outside of the workplace that can impact their mental health. We offer a

“We acknowledge that our people represent our most precious asset.”

range of industry leading family-friendly and flexible working policies to enable a work-life balance and provide tailored support in areas which may require additional help. We are also proud to continue in our corporate partnership with the mental health charity, AWARE NI.

Our commitment to equality, diversity, inclusion, and well-being of the workforce is underpinned by the successful rollout of our first-ever employee engagement survey. The insights gained from this survey have been invaluable as we refresh our Organisation values.

POLICY

Foyle Port sits as the most westerly port in the United Kingdom and our conservancy and operational areas extend into the Republic of Ireland. It is acknowledged that trust ports are ideal platforms for regional growth and economic development. Our peripheral location directly impacts on our operational competitiveness and sustainability. As such we are frustrated that, unlike other strategically located UK ports, we are yet to benefit from central government, or adopted devolved policies, such as Freeports and levelling up initiatives. The stop-start nature of devolved government here has also stalled much needed legislative reform to modernise port legislation to allow us to maximise the organisation’s potential and address the many challenges ahead. However, we remain optimistic that the newly restored Executive will drive forward the necessary reforms.

We urge the Northern Ireland Executive to demonstrate confidence in the Port’s strong track record of governance, commercial delivery and unequalled potential to locate an Enhanced Investment Zone at Foyle Port as part of a targeted and much needed investment stimulus for the Northwest city region.

We also continue to work with cross-border stakeholders to develop regional marine tourism.

THANKS

I pay special tribute to our customers who continue to trade through Foyle Port with such innovation despite prevailing and varied market conditions. We appreciate the opportunity to support them in their ongoing business requirements and we look to strengthen our long-standing relationships going forward.

I wish to thank the Chairman for his commitment and supportive oversight, the Committee Chairs and Commissioners for their hard work, and diligence in the oversight of our Governance arrangements.

On behalf of the Executive leadership team, I wish to personally acknowledge the expertise and commitment of the entire workforce, for their efforts and ingenuity which remain at the heart of our corporate success.

As we celebrate 170 years of community, trade and maritime service in our strategic cross-border location, we as the current custodians, remain poised to play our part to elevate this organisation to new levels of regional success.

Brian McGrath
Chief Executive

EBITDA £3.9 MILLION

£47MILLION INVESTMENT PROGRAMME SINCE 2003.

POWER ADJACENCY & DATA CONNECTION

LARGEST MARINE FLEET OF ANY TRUST PORT IN NI

75 SQ. MILE LOUGH FOYLE CONSERVANCY

208 ACRE HARBOUR ESTATE WITH EXPANSION CAPACITY

FOYLE PORT IN THE COMMUNITY

Port Employees make a donation to NI Children's Hospice

Our Community Liaison Officer, Roisin Cooke, presenting cheques to Strathfoyle Community Groups

Greencastle Football Club sponsorship

Donation to Ardmore GAC

North Star Basketball Team Sponsorship

Donation to Culmore Community Hub

Foyle Port donation to Maydown Community

Recipients of Foyle Port donations include:

OUR PEOPLE

Foyle Port Employees who took part in an abseil in aid of Aware

Visit to Foyle Port by the Princess Royal in April 2024

A plaque exchange onboard the "Azamara Onward" Cruise Vessel

Foyle Port School Employer Connections Programme

OUR PEOPLE

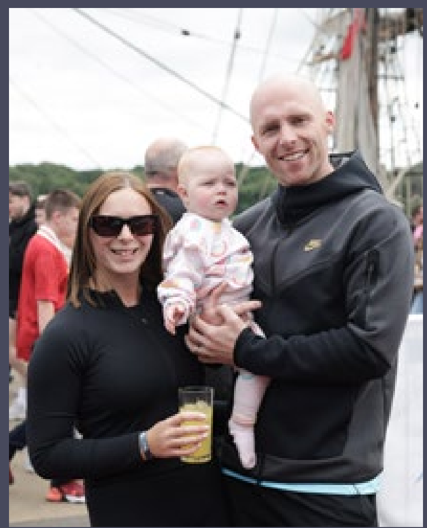
Foyle Port Mental Health Champions

Visit to Foyle Port by the Princess Royal in April 2024

Foyle Port Green Team - bulb planting on site

170th Anniversary Walk

FOYLE PORT 170TH ANNIVERSARY FAMILY EVENT



FOYLE PORT 170TH ANNIVERSARY CELEBRATION

STATEMENT OF COMMISSIONERS' RESPONSIBILITIES

The Commissioners are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

The law requires the Commissioners to prepare financial statements for each financial year. Under that law the Commissioners have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'. The Commissioners must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of Londonderry Port & Harbour Commissioners ('LPHC') and of the profit of LPHC for that period. In preparing these financial statements, the Commissioners are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that LPHC will continue in business.

The Commissioners are responsible for keeping adequate accounting records that are sufficient to show and explain LPHC's transactions and disclose with reasonable accuracy at any time the financial position of LPHC and enable them to ensure that the financial statements comply with the Harbours Act (Northern Ireland) 1970. They are also responsible for safeguarding the assets of LPHC and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Commissioners are responsible for the maintenance and integrity of the Organisation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as each person who was a Commissioner at the date of approving this report is aware, there is no relevant audit information of which LPHC's auditor is unaware. Additionally, each Commissioner has taken all the necessary steps that they ought to have taken as a Commissioner in order to make themselves aware of all relevant audit information and to establish that LPHC's auditor is aware of that information.

Ryan McCready
Chairman
26th June 2024

INDEPENDENT AUDITOR'S REPORT TO LONDONDERRY PORT & HARBOUR COMMISSIONERS

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion the financial statements of Londonderry Port & Harbour Commissioners ('LPHC'):

- Give a true and fair view of the state of LPHC's affairs as at 31 March 2024 and of its profit for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- Have been prepared in accordance with the requirements of the Harbours Act (Northern Ireland) 1970.

We have audited the financial statements of the LPHC which comprise:

- The profit and loss account;
- The statement of comprehensive income;
- The balance sheet;
- The statement of changes in equity;
- The statement of cash flows;
- The notes to the statement of cash flows; and
- The related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 *'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'* (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of LPHC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Commissioners' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on LPHC's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Commissioners with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Commissioners are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

RESPONSIBILITIES OF COMMISSIONERS

As explained more fully in the Commissioners' responsibilities statement, the Commissioners are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Commissioners determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioners are responsible for assessing LPHC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Commissioners intend to liquidate LPHC or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the entity's industry and its control environment, and reviewed entity's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the entity operates in, and identified the key laws and regulations that:

- Had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Harbours Act (Northern Ireland) 1970, FRS 102 and tax legislation; and
- Do not have a direct effect on the financial statements but compliance with which may be fundamental to the entity's ability to operate or to avoid a material penalty. These included UK employment law, health and safety law, environmental regulations and the Data Protection Act 2018.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud, and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

REVENUE RECOGNITION

- We assessed the design and determined the implementation of the key controls over the posting of revenue relating to the cut-off of port revenue;
- We selected a sample of transactions, and ensured the revenue was recorded accurately and in the correct period; and
- We tested a sample of credit notes to ensure the amount was accurately recorded in the correct period.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- Reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- Reading minutes of meetings of those charged with governance.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS ON OTHER MATTERS

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Chair's Statement and Chief Executive's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Chair's Statement and Chief Executive's Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of LPHC and its environment obtained in the course of the audit, we have not identified any material misstatements in the Chair's Statement and Chief Executive's Report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We are required to report to you if, in our opinion:

- Adequate accounting records have not been kept by the LPHC, or returns adequate for our audit have not been received from branches not visited by us; or
- LPHC financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

USE OF OUR REPORT

This report is made solely to the Commissioners, as a body, in accordance with the Harbours Act (Northern Ireland) 1970. Our audit work has been undertaken so that we might state to the Commissioners those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Commissioners, for our audit work, for this report, or for the opinions we have formed.

Gareth Martin
(Senior Statutory Auditor)
For and on behalf of Deloitte (NI) Limited
Statutory Auditor, Belfast, Northern Ireland
26th June 2024

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2024 £	2023 £
Turnover	**3**	12,142,624	11,197,619
Cost of Sales		(7,196,558)	(7,129,738)
Gross Profit		**4,946,066**	**4,067,881**
Administrative Expenses		(2,937,713)	(2,700,465)
		2,008,353	1,367,416
Other Operating Income	**5**	5,907	22,433
Operating Profit	**4**	**2,014,260**	**1,389,849**
Gain on Disposal of Fixed Assets		167,172	8,613
Profit on Ordinary Activities Before Interest		**2,181,432**	**1,398,462**
Interest Receivable and Similar Income	**8**	369,846	157,163
Foreign Exchange Gain		64	1,333
Interest Payable and Similar Charges	**9**	(148,831)	(163,256)
Exceptional Item	**10**	(157,173)	-
Profit on Ordinary Activities Before Taxation		**2,245,338**	**1,393,702**
Tax on Profit on Ordinary Activities	**11**	(644,854)	(330,804)
Profit for the Financial Year		**1,600,484**	**1,062,898**

The notes on pages 39 to 59 form part of these financial statements and should be read in accordance therewith.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2024 £	2023 £
Profit for the Financial Year		1,600,484	1,062,898
Total Actuarial Gains from Defined Benefit Pension Liability	**21**	195,500	174,526
Movement on Deferred Tax Relating to Pension Liability	**22**	(48,875)	(43,631)
Total Comprehensive Income for the Year		**1,747,109**	**1,193,793**

The notes on pages 39 to 59 form part of these financial statements and should be read in accordance therewith.

BALANCE SHEET AS AT 31 MARCH 2024

	NOTE	£	2024 £	£	2023 £
FIXED ASSETS					
Intangible Assets	12		5,717		7,364
Tangible Assets	13		42,020,299		43,410,182
			42,026,016		43,417,546
CURRENT ASSETS					
Stock	15	292,833		340,506	
Debtors	16	2,725,185		2,649,561	
Investments	17	6,081,787		2,250,000	
Cash and Cash Equivalents		5,178,609		7,070,129	
		14,278,414		12,310,196	
CURRENT LIABILITIES					
Amounts falling due within one year	18	(2,590,095)		(2,802,737)	
Capital Grants	20	(330,441)		(330,363)	
		(2,920,536)		(3,133,100)	
Net Current Assets			11,357,878		9,177,096
Total Assets Less Current Liabilities			**53,383,894**		**52,594,642**
LONG TERM LIABILITIES					
Amounts falling due after more than one year	19		(3,654,622)		(4,108,271)
Capital Grants	20		(10,679,516)		(11,005,667)
Pension Liability	21		(457,000)		(820,000)
Provisions for Liabilities and Charges	22		(1,579,837)		(1,394,894)
NET ASSETS			**37,012,919**		**35,265,810**
RESERVES					
Profit and Loss Account			37,012,919		35,265,810
TOTAL RESERVES			**37,012,919**		**35,265,810**

These financial statements were approved at a meeting of the Commissioners held on 26th June 2024 and signed on their behalf by:

Ryan McCready
Chairman

Brian McGrath
Chief Executive

The notes on pages 39 to 59 form part of these financial statements and should be read in accordance therewith.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Profit & Loss Reserves
	£
Balance at 1 April 2022	**34,072,017**
Year ended 31 March 2023	
Profit for the Financial Year	1,062,898
Total Actuarial Gains from Defined Benefit Pension	174,526
Movement on Deferred Tax Relating to Pension Liability	(43,631)
Balance at 31 March 2023	**35,265,810**
Year ended 31 March 2024	
Profit for the Financial Year	1,600,484
Total Actuarial Gains from Defined Benefit Pension	195,500
Movement on Deferred Tax Relating to Pension Liability	(48,875)
Balance at 31 March 2024	**37,012,919**

The notes on pages 39 to 59 form part of these financial statements and should be read in accordance therewith.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	£	2024 £	£	2023 £
Cash flows from operating activities					
Cash generated from operations	1		3,378,320		2,605,579
Interest paid			(151,269)		(165,635)
Income taxes paid			(392,148)		(219,193)
Net cash inflow from operating activities			**2,834,903**		**2,220,751**
Investing activities					
Purchase of tangible fixed assets		(1,095,295)		(1,609,358)	
Proceeds from disposal of tangible fixed assets		412,887		12,555	
Net amounts invested in treasury deposits		(3,831,787)		(2,250,000)	
Interest received		394,614		97,452	
Net cash used in investing activities			**(4,119,581)**		**(3,749,351)**
Financing activities					
Repayment of borrowings		(606,842)		(592,476)	
Net cash used in financing activities			**(606,842)**		**(592,476)**
Net decrease in cash			**(1,891,520)**		**(2,121,076)**
Cash and cash equivalents at beginning of the year			**7,070,129**		**9,191,205**
Cash and cash equivalents at end of the year			**5,178,609**		**7,070,129**

The notes on page 38 form part of the statement of cash flows and should be read in accordance therewith.

NOTES TO THE STATEMENT OF CASH FLOWS

1. Cash Generated from Operations	2024 £	2023 £
Profit for the year after tax	1,600,484	1,062,898
Adjustments for:		
Taxation charged	644,854	330,804
Finance costs	148,831	163,256
Investment income	(369,846)	(157,163)
Gain on disposal of tangible fixed assets	(167,172)	(8,613)
Amortisation of intangible fixed assets	1,647	1,646
Depreciation of tangible fixed assets	2,238,652	2,241,590
Amortisation of capital grants	(330,362)	(341,750)
Adjustment for pension funding	(167,500)	(160,474)
Movements in working capital:		
Decrease/(Increase) in stock	47,673	(55,096)
Increase in debtors	(100,390)	(211,809)
Decrease in creditors	(168,551)	(259,710)
	3,378,320	**2,605,579**

2. Analysis of Changes in Net Debt	1 April 2023 £	Cash Flows £	Other Non-Cash Changes £	31 March 2024 £
Cash and Cash Equivalents	7,070,129	(1,891,520)	-	5,178,609
Investments	2,250,000	3,831,787	-	6,081,787
	9,320,129	1,940,267	-	11,260,396
Government Loans (Note 19)	(4,375,752)	606,842	-	(3,768,910)
Pension Liability (Note 21)	(820,000)	167,500	195,500	(457,000)
3½% Consolidated Stock (Note 19)	(15,057)	-	-	(15,057)
Total	**4,109,320**	**2,714,609**	**195,500**	**7,019,429**

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) General Information
The legal form of the entity, its country of incorporation, and the nature of the entity's operations and principal activities are set out in the Corporate Governance Statement on page 5 of the Annual Report.

(b) Accounting Convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). There were no material departures from that standard.

The financial statements are prepared in sterling, which is the functional currency of the organisation. Monetary amounts in these financial statements are rounded to the nearest (£) Sterling.

The principal accounting policies adopted are set out below.

(c) Going Concern
The Commissioners have assessed the financial position of the Organisation and at the time of approving the financial statements, have a reasonable expectation that the Organisation has adequate resources to continue in operational existence for the foreseeable future. Thus, the Commissioners continue to adopt the going concern basis of accounting in preparing the financial statements.

(d) Turnover
Turnover is recognised at the fair value of the consideration received or receivable for services and rentals provided in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from services to Port users and rentals is recognised when the service has been provided and the contractual obligation has been met.

(e) Grants
The Organisation has adopted the accruals model whereby capital grants are recognised as a liability on the balance sheet and released to the profit and loss account over the useful economic life of the asset. Revenue grants are credited to the profit and loss account in the period to which they relate.

(f) Intangible Fixed Assets
The cost of intangible assets comprises the purchase price of development, materials and employee benefits. Intangible fixed assets are initially measured at cost and subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset systematically over its expected useful life as follows:

CE Marking	10 years

CE marking is a certification mark that indicates conformity with health, safety, and environmental protection standards for products sold within the European Economic Area. The CE marking is also found on products sold outside the EEA that are manufactured in, or designed to be sold in, the EEA.

(g) Tangible Fixed Assets and Depreciation
The cost of fixed assets comprises the purchase price of land, structures, plant and machinery, etc. acquired, plus costs of construction and installation. Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost of each asset systematically over its expected useful life as follows:

Work and Improvements comprising:

Buildings	20 years	-	100 years
Tools and Equipment	5 years	-	10 years

Other assets:

Pontoon	10 years	-	20 years
Cranes	10 years	-	20 years
Plough Boat and Dredging Plant	10 years	-	30 years
Tug Boats	5 years	-	30 years
Pilot Boat and Station	5 years	-	20 years
Plant, Machinery and Equipment	3 years	-	50 years
Dry Dock	5 years		
Motor Vehicles	4 years		

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to the profit and loss account.

(h) Impairment of Non-Financial Assets

At each reporting end date, the Organisation reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Organisation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(i) Stock

Stocks are valued at the lower of cost and net realisable value.

(j) Investments

Current asset investments are stated at amortised cost. Investments comprise monies on short-term deposits.

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

(l) Financial Instruments

Financial assets and financial liabilities are recognised when the Organisation becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Organisation after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Organisation after deducting all of its liabilities. Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Debt instruments are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost, using the effective interest rate method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Organisation intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Organisation transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Organisation, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

(m) Provisions

Provisions are recognised when the Organisation has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

(n) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Organisation's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred taxation

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Organisation has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

(o) Employee Benefits

The pension entitlements of pensionable employees arise under a defined contribution pension scheme. This scheme is maintained by contributions from the Commissioners and employees to an independently administered fund. Annual contributions are charged to the Profit and Loss Account on an accrual basis.

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Organisation is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

The Commissioners, in common with other Competent Harbour Authorities, are making recovery plan payments to the Pilot's National Pension Fund (PNPF), which is a centralised, multi-employer defined benefit pension scheme for non-associated employers which provides benefits for employed and self-employed maritime pilots upon retirement and also on death before or after retirement. Actuarial gains and losses have been recognised in the period in which they occur (but outside of the profit and loss account) through the Statement of Comprehensive Income. Full details are disclosed in note 21.

(p) Foreign Currency

Assets and liabilities in foreign currencies are translated at the rate of exchange at the Balance Sheet date. Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transactions. All differences in foreign currency are taken to the Profit and Loss Account.

(q) Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Organisation's accounting policies, the Commissioners are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. There are no critical accounting judgements, other than those included under estimation uncertainty.

Key Sources of Estimation Uncertainty - Employee Benefits

The Organisation has recognised a defined benefit pension scheme liability in the balance sheet, the value of which has been prepared by an independent qualified actuary. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty.

3. TURNOVER AND OTHER REVENUE

An analysis of turnover is as follows:	2024 £	2023 £
Revenue from Port Customers	10,190,061	9,349,612
Rents Receivable	816,370	776,420
Storage Receipts	1,136,193	1,071,587
	12,142,624	**11,197,619**
Turnover analysed by geographical market		
United Kingdom and Ireland	**12,142,624**	**11,197,619**

4. OPERATING PROFIT

Operating Profit is stated after charging:	2024 £	2023 £
Amortisation of intangible fixed assets (Note 12)	1,647	1,646
Depreciation of tangible fixed assets (Note 13)	2,238,652	2,241,590
Auditor's remuneration for audit of the financial statements	19,810	15,450
Auditor's remuneration for taxation compliance services	4,800	4,650
and after crediting:		
Capital grant amortisation (Note 20)	330,362	341,750
Foreign exchange gain	64	1,333

5. OTHER OPERATING INCOME

	2024 £	2023 £
Insurance proceeds	-	18,908
Grants received	5,907	3,525
	5,907	**22,433**

Insurance proceeds relate to the income received as a result of a fire on the premises in July 2020.

6. PARTICULARS OF EMPLOYEES

The average number of persons employed by the Commissioners during the year was 102 (2023: 104).

Their aggregate remuneration comprised:	2024 £	2023 £
Wages and salaries	4,301,561	3,792,608
Social security costs	453,188	426,736
Pension costs	227,212	213,407
	4,981,961	**4,432,751**

Key Management Personnel

All Commissioners and certain senior employees who have authority and responsibility for planning, directing and controlling activities are considered to be key management personnel. The total remuneration in respect of these individuals is £1,436,380 (2023: £1,217,016).

7. COMMISSIONERS' REMUNERATION

	2024 £	2023 £
Remuneration for qualifying services	**113,079**	**107,649**

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2024 £	2023 £
Bank Interest	**369,846**	**157,163**

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2024 £	2023 £
Interest on financial liabilities measured at amortised cost:		
Bank Interest & Charges	101,973	116,396
Interest on Pilots' National Pension Fund Liability	46,442	46,442
3½% Consolidated Loan Stock	416	418
	148,831	**163,256**

10. EXCEPTIONAL ITEM

An analysis of the organisation's exceptional items recorded after Operating Profit is set out below.

	2024 £	2023 £
Restructuring costs	157,173	-

Exceptional items are for non-recurring one-off items borne during the year that are not day to day costs of running the organisation. Restructuring costs include payments made during the year under a Voluntary Resignation Scheme (VRS).

11. TAXATION

	2024 £	2023 £
Current year tax		
UK Corporation Tax on profits for the current period	512,808	327,629
Adjustment in respect of prior periods	(4,022)	(3,555)
Deferred tax		
Origination and reversal of timing differences	136,068	2,098
Adjustment in respect of prior periods	-	3,969
Effect of changes in tax rates	-	663
Total tax per profit and loss account	**644,854**	**330,804**

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2024 £	2023 £
Profit before taxation	**2,245,338**	**1,393,702**
Expected tax charge based on the standard rate of corporation tax in the UK of 25% (2023: 19%)	**561,335**	**264,803**
Effects of :		
Expenses not deductible	87,541	75,032
Impact of capital allowances super deductions	-	(10,108)
Adjustment in respect of prior periods	(4,022)	414
Tax rate changes	-	663
Tax charge for the year	**644,854**	**330,804**

12. INTANGIBLE FIXED ASSETS

	CE Marking £
Cost	
At 1 April 2023	
Cost	16,464
Additions	-
Disposals	-
At 31 March 2024	**16,464**
Amortisation	
At 1 April 2023	
Accumulated Amortisation	9,100
Charge for Year	1,647
Release on Disposal	-
At 31 March 2024	**10,747**
Net Book Value	
31 March 2024	**5,717**
31 March 2023	7,364

13. TANGIBLE FIXED ASSETS

	Works & Improvements £	Pontoon £	Cranes £	Plough Boat & Dredging Plant £	Tug Boats £	Pilot Boat & Station £	Motor Vehicles £	Plant, Machinery & Equipment £	Dry Dock £	TOTAL £
Cost										
At 1 April 2023 Cost	49,961,462	2,260,639	11,434,325	4,741,487	5,977,318	660,306	234,822	3,333,994	1,162,290	79,766,643
Additions	543,928	140,039	52,962	64,270	6,773	-	15,995	104,209	167,119	1,095,295
Disposals	-	-	-	(678,964)	-	(129,736)	-	(6,172)	(466,362)	(1,281,234)
At 31 March 2024	50,505,390	2,400,678	11,487,287	4,126,793	5,984,091	530,570	250,817	3,432,031	863,047	79,580,704
Depreciation										
At 1 April 2023 Accumulated Depreciation	18,693,750	1,542,026	7,826,232	2,550,135	2,173,666	535,845	166,574	2,319,223	549,010	36,356,461
Charge for Year	914,907	87,203	422,918	154,753	212,531	20,082	25,776	215,344	185,138	2,238,652
Release on Disposal	-	-	-	(575,716)	-	(119,295)	-	(6,105)	(333,592)	(1,034,708)
At 31 March 2024	19,608,657	1,629,229	8,249,150	2,129,172	2,386,197	436,632	192,350	2,528,462	400,556	37,560,405
Net Book Value										
31 March 2024	**30,896,733**	**771,449**	**3,238,137**	**1,997,621**	**3,597,894**	**93,938**	**58,467**	**903,569**	**462,491**	**42,020,299**
31 March 2023	31,267,712	718,613	3,608,093	2,191,352	3,803,652	124,461	68,248	1,014,771	613,280	43,410,182

14. FINANCIAL INSTRUMENTS

Carrying amount of financial assets	2024 £	2023 £
Debt instruments measured at amortised cost:		
Cash and Cash Equivalents	5,178,609	7,070,129
Investments	6,081,787	2,250,000
Trade Debtors	1,892,194	1,805,774
Other Debtors	96,341	20,886
	13,248,931	**11,146,789**

Carrying amount of financial liabilities	2024 £	2023 £
Measured at amortised cost:		
Government Loans	3,768,910	4,375,752
Trade Creditors	645,272	776,780
Other Creditors	74,042	64
	4,488,224	**5,152,596**

15. STOCK

	2024 £	2023 £
Consumables	230,110	267,500
Materials	62,723	73,006
	292,833	**340,506**

16. DEBTORS (Amounts falling due within one year)

	2024 £	2023 £
Trade Debtors	1,892,194	1,805,774
Other Debtors	96,341	20,886
VAT	-	38,245
Prepayments & Accrued Income	736,650	784,656
	2,725,185	**2,649,561**

17. INVESTMENTS

	2024 £	2023 £
Short term deposits	**6,081,787**	**2,250,000**

18. CREDITORS (Amounts falling due within one year)

	2024 £	2023 £
Trade Creditors	645,272	776,780
Corporation Tax	268,993	152,355
Government Loans	426,143	606,842
Other Tax & Social Security	107,705	106,538
Accruals & Deferred Income	1,066,723	1,160,158
Other Creditors	74,042	64
VAT	1,217	-
	2,590,095	**2,802,737**

Foyle Maritime Festival 2024

19. CREDITORS (Amounts falling due after more than one year)

	2023 £	2023 £
3½ % Consolidated Loan Stock (Undated)	15,057	15,057
Government Loans	3,342,767	3,768,910
Accruals & Deferred Income	296,798	324,304
	3,654,622	**4,108,271**

Analysis of Loans	2023 £	2023 £
Not wholly repayable within five years other than by instalments:		
Government Loans	3,768,910	4,375,752
	3,768,910	4,375,752
Included in current liabilities	(426,143)	(606,842)
	3,342,767	**3,768,910**

Loan Maturity Analysis	2023 £	2023 £
In more than one year but not more than two years	436,107	426,143
In more than two years but not more than five years	1,370,507	1,339,169
In more than five years	1,536,153	2,003,598
	3,342,767	**3,768,910**

20. CAPITAL GRANTS

	Works & Improvements £	Pontoon £	Cranes £	Plough Boat & Dredging Plant £	Tug Boat & Launch £	Pilot Boat & Station £	Plant, Machinery & Equipment £	TOTAL £
Cost								
At 1 April 2023								
Cost	19,256,444	2,003,260	2,592,606	337,500	15,395	134,240	305,856	24,645,301
Additions	-	-	-	-	-	-	5,100	5,100
Disposals	-	-	-	-	-	(8,991)	-	(8,991)
At 31 March 2024	19,256,444	2,003,260	2,592,606	337,500	15,395	125,249	310,956	24,641,410
Amortisation								
At 1 April 2023								
Accumulated Amortisation	8,574,900	1,398,219	2,592,606	337,500	9,452	132,979	263,615	13,309,271
Amortised for Year	258,118	65,769	-	-	513	450	5,512	330,362
Release on Disposal	-	-	-	-	-	(8,180)	-	(8,180)
At 31 March 2024	8,833,018	1,463,988	2,592,606	337,500	9,965	125,249	269,127	13,631,453
Net Book Value								
At 31 March 2024	**10,423,426**	**539,272**	**-**	**-**	**5,430**	**-**	**41,829**	**11,009,957**
At 31 March 2023	10,681,544	605,041	-	-	5,943	1,261	42,241	11,336,030

Total Capital Grants of £11,009,957 is split between current liabilities £330,441 (2023: £330,363) and non-current liabilities £10,679,516 (2023: £11,005,667).

21. EMPLOYEE BENEFITS

The Commissioners operate a defined contribution pension scheme for all employees. Employees are automatically enrolled in this scheme once mandatory registration criteria are met. Employees who meet these criteria have the option of opting out of the scheme. The amount charged in the profit and loss account for pension costs under the above scheme was £227,212 (2023: £213,407).

PILOTS' NATIONAL PENSION FUND ('PNPF')

The PNPF is a centralised multi-employer defined benefit pension scheme for non-associated employers. It provides benefits for employed and self-employed maritime pilots upon retirement and also on death before or after retirement.

The PNPF is administered by a separate Trustee Company which is legally separate from LPHC. The Trustee Directors are required by law to act in the interests of all relevant beneficiaries and are responsible for the PNPF's investment policy and day-to-day administration.

The Trustee of the PNPF sought the guidance of the court on a number of issues relating to the Trustee's powers under the Rules of the PNPF, including who is liable to contribute. Until the legal status of the PNPF had been clarified, LPHC was unable to determine its share of the liabilities of the PNPF.

Following the court's determination and further information being made available on the extent of the PNPF's liabilities, LPHC is able to determine its share of the liabilities as described below.

LPHC is responsible for its own share of the total liabilities in the PNPF, together with a proportionate share of the 'orphan' liabilities of the PNPF i.e. those liabilities that cannot be attributed to another participating port authority.

The last formal actuarial valuation of the PNPF was completed as at 31 December 2022 and showed a deficit of £123.9 million. This was higher than anticipated under the existing recovery plan, requiring an increase in the deficit contributions payable. A new recovery plan reflecting an additional deficit repair contribution payable in 2029 was put in place to address this additional shortfall identified at the 2022 valuation. The results of these calculations have been updated to 31 March 2024 by a qualified independent actuary.

The present value of the defined benefit obligation, the current service costs and any past service costs were measured using the projected unit credit method. Actuarial gains and losses have been recognised in the period in which they occur (but outside of the profit and loss account) through the Statement of Comprehensive Income.

The main assumptions used to calculate scheme liabilities are as follows:

Key Financial Assumptions as at 31 March	2024	2023
Discount rate (% p.a.)	4.8%	4.8%
Rate of salary increases (% p.a.)	2.3%	2.3%
Rate of increase to pensions in deferment where not subject to a minimum (% p.a.)	2.3%	2.3%
RPI inflation (% p.a.)	3.1%	3.2%
CPI inflation (% p.a.)	2.3%	2.3%
Pension increases: maximum 5% p.a., minimum 0% p.a.	3.0%	3.0%
Pension increases: maximum 5% p.a., minimum 3% p.a.	3.7%	3.7%

Key Demographic Assumptions as at 31 March	2024	2023
Mortality base table % of S3 PxA Standard Tables	94%	105%
Mortality future improvements (core projections)	CMI_2022	CMI_2021
Mortality future improvements (% p.a. long term improvement)	1.00%	1.00%
Male life expectancy		
- Retiring at age 65 now	22.5 years	21.7 years
- Retiring at age 65 in 20 years	24.0 years	22.7 years
Female life expectancy		
- Retiring at age 65 now	24.5 years	24.1 years
- Retiring at age 65 in 20 years	26.4 years	25.2 years

Contributions to meet PNPF liability

LPHC made contributions of £214,000 in respect of the PNPF recovery plan during the year ended 31 March 2024 (2023: £207,000).

Changes in the value of assets	2024 £	2023 £
Opening fair value of assets	2,538,000	3,210,000
Interest income on assets	123,000	88,000
Member contributions	4,000	3,000
LPHC Contributions	214,000	207,000
Actuarial (loss) on assets	(1,532,000)	(628,000)
Benefits paid	(152,000)	(333,000)
Expenses paid	(6,000)	(9,000)
Closing fair value of assets	**1,189,000**	**2,538,000**

The value of the assets did not include any assets used directly by LPHC, nor did it include any direct investment by LPHC's own financial instruments.

Actual asset allocation	2024 %	2023 %
'Growth' Assets		
- Partners Growth Fund	38.8	35.1
- Diversified Growth Funds	6.8	2.0
- Downside Risk Hedge	1.7	1.2
'Matching' Assets		
- Corporate Bonds	20.4	15.2
- Gilts	17.8	23.3
- Liquidity Fund	13.5	22.3
- Cash	1.0	0.9
	100.0	**100.0**

Actual return on assets	2024 £	2023 £
Expected return on assets	123,000	88,000
Actuarial (loss) on assets	(1,532,000)	(628,000)
Actual return	**(1,409,000)**	**(540,000)**

Changes in the defined benefit liabilities	2024 £	2023 £
Opening defined benefit liability	3,358,000	4,365,000
Service cost	-	2,000
Interest cost	158,000	118,000
Member contributions	4,000	3,000
Actuarial gain on liability	(1,722,000)	(797,000)
Benefits paid	(152,000)	(333,000)
Closing defined benefit liability	**1,646,000**	**3,358,000**

Analysis of amounts recognised in Income Statement	2024 £	2023 £
Financing cost		
Net interest on the net liability	46,442	46,442
Total Expense	**46,442**	**46,442**

Analysis of amounts recognised in Statement of Comprehensive Income	2024 £	2023 £
Total actuarial gains	195,500	174,526
Total Gains in Statement of Comprehensive Income	**195,500**	**174,526**

Reconciliation of funded status to Balance Sheet	2024 £	2023 £
Present value of funded defined benefit obligation	(1,646,000)	(3,358,000)
Fair value of assets	1,189,000	2,538,000
Deficit	**(457,000)**	**(820,000)**

	2024 £	2023 £
Liability recognised on the balance sheet	(457,000)	(820,000)
Related deferred tax asset (Note 22)	114,250	205,000
Net Liability	**(342,750)**	**(615,000)**

22. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Taxation £
Opening Balance 1 April 2023	1,394,894
Debit to Profit and Loss Account	136,068
Debit to Statement of Comprehensive Income	48,875
Closing Balance 31 March 2024	**1,579,837**

The amount debited to the Statement of Comprehensive Income of £48,875 represents the portion of the deferred tax asset relating to the actuarial gain recognised in the Statement of Comprehensive Income multiplied by the appropriate rate of tax.

Deferred tax assets and liabilities are offset where the Organisation has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Balances:	2024 £	2023 £
Timing differences	1,694,087	1,599,894
Pension deficit	(114,250)	(205,000)
	1,579,837	**1,394,894**

The net deferred tax liability expected to reverse in the next 12 months is £182,699. This primarily relates to the reversal of timing differences.

23. CAPITAL COMMITMENTS

	2024 £	2023 £
Capital Expenditure Contracted for or Authorised by the Commissioners but Not Provided in the Financial Statements	**4,898,719**	**3,018,528**

24. CONTINGENT LIABILITY

In December 2022 the Supreme Court heard the Police Service of Northern Ireland (PSNI) case in relation to monies owed for a shortfall in holiday pay going back 20 years to November 1998 when the Working Time Regulations (Northern Ireland) 1998 first came into effect. The decision was handed down on 4th October 2023 and agreed with the Court of Appeal (and the Industrial Tribunal) that the common fault was that holiday pay was calculated by reference to basic pay rather than normal pay. The stayed claims lodged against Londonderry Port & Harbour Commissioners are now "live" and have progressed to a Case Management Preliminary Hearing. However, it is not yet possible to quantify the potential loss for all claims currently lodged against Londonderry Port & Harbour Commissioners.

25. INVESTMENT IN SUBSIDIARIES

Londonderry Port & Harbour Commissioners hold one ordinary €1 share, not yet paid, representing a 100% holding in Foyle Port (Ireland) Limited, a dormant company, registered in the Republic of Ireland. Consolidated accounts are not prepared as the subsidiary is wholly immaterial.

NOTES

**LONDONDERRY PORT &
HARBOUR COMMISSIONERS**

HARBOUR OFFICE
PORT ROAD
LISAHALLY
LONDONDERRY
BT47 6FL

TEL: (028) 7186 0555

WWW.FOYLEPORT.COM